

FIND THE ERRORS

The proper completion of offer to purchase forms is an essential ingredient for successful real estate sales transactions. The following exercise is designed to help you hone your skills. Find the errors, then refer to page two of this **Bulletin** for the correct answers and explanations.

OFFER TO PURCHASE AND CONTRACT

"Snuffy" Smith and wife _____, as Buyer,
hereby offers to purchase and _____ Owner of Record _____, as Seller,
upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon and such personal property as is listed below (the real and personal property are collectively referred to as "the Property"), in accordance with the Standard Provisions on the REVERSE SIDE HEREOF and upon the following terms and conditions:

1. **REAL PROPERTY:** Located in the City of Millmont, County of Wake, State of North Carolina, being known as and more particularly described as:
Street Address Unit 3B Zip _____
Legal Description Tax Book 142 page 3

2. **PERSONAL PROPERTY:** All personal property to be included in sale except extreme personal items

3. **PURCHASE PRICE:** The purchase price is \$ 117,000 and shall be paid as follows:
(a) \$ 7,000 in earnest money paid by Buyer (cash, bank, certified, or personal check) with the delivery of this contract, to be held in escrow by Bruce R. Broker as agent, until the sale is closed, at which time it will be credited to Buyer, or until this contract is otherwise terminated and it is disbursed in accordance with the Standard Provisions on the REVERSE SIDE HEREOF;
(b) \$ _____ by assumption of the unpaid principal balance and all obligations of Seller on the existing loan secured by a deed of trust on the Property;
(c) \$ _____ by a promissory note secured by a purchase money deed of trust on the Property with interest prior to default at the rate of _____ % per annum payable as follows: _____
Prepayment restrictions and/or penalties, if any, shall be: _____
Assumption or transfer rights, if any, shall be: _____

(d) \$ 109,000 the balance of the purchase price in cash at closing.

4. **CONDITIONS:** (State N/A in each blank of paragraph 4(a) and 4(b) that is not a condition to this contract.)
(a) The Buyer must be able to obtain a firm commitment on or before Spring of 1990, effective through the date of closing, for a new loan in the principal amount of \$ 80,000 for a term of 15-20 year(s), at an interest rate not to exceed market % per annum, with mortgage loan discount points not to exceed + 2 % of the loan amount. Buyer agrees to use his best efforts to secure such commitment and to advise Seller immediately upon receipt of the lender's decision. If Seller is to pay any loan closing costs, those costs are as follows: To be negotiated
(b) The Buyer must be able to assume the unpaid principal balance of the existing loan described in paragraph 3(b) above for the remainder of the loan term, at an interest rate not to exceed _____ % per annum fixed (or describe type of loan) _____, with mortgage loan assumption and/or discount points not to exceed _____ % of the loan balance. (See Standard Provision No. 2). If such assumption requires the lender's approval, approval must be granted on or before _____. Buyer agrees to use his best efforts to secure such approval and to advise Seller immediately upon his receipt of the lender's decision. If Seller is to pay any loan assumption costs, those costs are as follows: _____
(c) There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the real property for Buyers purposes.

5. **ASSESSMENTS:** Seller warrants that there are no special assessments, either pending or confirmed, for sidewalk, paving, water, sewer or other improvements on or adjoining the Property, except as follows: None
(Insert "None" or the identification of such assessments, if any. The agreement for payment or proration of any assessments indicated is to be set forth in paragraph 6 below.)


6. **OTHER PROVISIONS AND CONDITIONS:**
(a) All of the Standard Provisions on the REVERSE SIDE HEREOF are understood and shall apply to this instrument, except the following numbered Standard Provisions shall be deleted: (If none are to be deleted, state "None") 4% commission to be paid to selling firm.
IF THERE ARE ANY ADDENDA TO THIS CONTRACT, INDICATE ABOVE AND ATTACH HERETO.

7. **CLOSING:** All parties agree to execute any and all documents and papers necessary in connection with closing and transfer of title on or before ASAP, at a place designated by closing attorney.
The deed is to be made to Buyers.

8. **POSSESSION:** Possession shall be delivered when seller vacates property.
In the event that Buyer has agreed that possession is not delivered at closing, then Seller agrees to pay to Buyer the sum of \$ _____ per day from and including the date of closing to and including the date that possession is to be delivered as above set forth.

9. **COUNTERPARTS:** This offer shall become a binding contract when signed by both Buyer and Seller. It is to be signed in _____ counterparts with a signed counterpart being retained by each party hereto and the escrow agent, if any.
Date of Offer: September 29, 1989 Date of Acceptance: September 30, 1989
Buyer Snuffy Smith (SEAL) Seller Samuel E. Seller (SEAL)
Buyer _____ (SEAL) Seller _____ (SEAL)

I hereby acknowledge receipt of the earnest money herein set forth and agree to hold and disburse the same in accordance with the terms hereof.
Date 9/29/89 Firm Norcal Realty
By: Bruce R. Broker

 Name of Selling Agent/Firm Marty Macon
Name of Listing Agent/Firm Same as above

This Standard Form has been approved jointly by the:

NORTH CAROLINA BAR ASSOCIATION
NORTH CAROLINA ASSOCIATION OF REALTORS®, INC.

Standard Form No. 2
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